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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1943.

No. 240

TRUMAN B. WAYNE,
Petitioner,

vs.

WILLIAM W. ROBINSON, JR., and
THE TEXAS COMPANY,
Respondents.

PETITION FOR A WRIT OF CERTIORARI

To the United States Court of Appeals for the District of Columbia

and

BRIEF IN SUPPORT THEREOF.

(Filed ....., 1943.)

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To the United States Court of Appeals for the District of Columbia.

To the Honorable the Chief Justice, and Associate Justices of the Supreme Court of the United States:

Your Petitioner, Truman B. Wayne, a citizen of Texas, respectfully prays for a Writ of Certiorari to the United States Court of Appeals for the District of Columbia to review the judgment of that Court entered May 29, 1943.

BASIS OF JURISDICTION.

The statutory provision under which jurisdiction of this Court is invoked is Section 240a of the Judicial Code (28 U. S. Code, Sec. 347). Precedent for the jurisdiction

of this Court to review, on certiorari, questions of the character here presented is found in Nierbo Company v. Bethlehem Shipbuilding Corp., 308 U. S. 165; Employers Re-Insurance Corp. v. Bryant, 299 U. S. 374, and Ewing, Commissioner, v. Fowler Car Co., 244 U. S. 1.

The statute of the United States, interpretation of which is involved herein, is the Act of March 3, 1927 (Sec. 72a, Title 35, U. S. Code), the pertinent portion of which reads as follows:

> "Upon the filing of a bill in the Supreme Court of the District of Columbia wherein remedy is sought under section 63 (R. S. 4915) . . . of this title, . . . if it shall appear that there . . . (are) . . . adverse parties residing in a plurality of districts not embraced within the same State, the court shall have jurisdiction thereof . . ."

SUMMARY AND SHORT STATEMENT.

Petitioner was the winner of an interference contest in the Patent Office. The interference involved four different applicants:

1. Petitioner, of Houston, Texas;

2. One William W. Robinson, Jr., assignor to The Texas Company, who were Plaintiffs in the Court below and are herein collectively referred to as Respondents;

3. One George E. Cannon, a citizen of Houston, Texas, assignor to Standard Oil Development Company,* hereinafter collectively referred to as Standard; and

4. One Lorenz K. Ayers.

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*This is a patent-holding subsidiary of Standard Oil Company (New Jersey) whose Texas operating subsidiary is Humble Oil and Refining Co. (T. N. E. C. Record, Part 14a, pp. 7953-5). Cannon was an employee of Humble at Houston, Texas.

Having won the interference contest, Petitioner was entitled to have granted to him a patent for the subject matter (Improvement in Oil Well Drilling Mud) (R. S. 4915, Title 35, Sec. 63, U. S. Code**).

After the decision of the Patent Office tribunals awarding priority to Petitioner, Respondents filed suit in the United States District Court for the District of Columbia, purportedly under R. S. 4915 (Title 35, Sec. 63, U. S. Code), seeking to set aside the judgment of the Patent Office and to obtain for themselves (Respondents) the patent to which Petitioner had been adjudged entitled.

In their Complaint (R. 1-5) filed in the District Court Respondents joined (R. 2-3) the Standard Oil Development Company (an alleged Delaware Corporation, with place of business in New York), as well as its assignor, Cannon, as parties defendant, although they (Standard) had won nothing in the Patent Office. Neither Standard nor Cannon entered appearance in the Courts below. The fourth party, Ayers, won nothing in the Patent Office, and was not named as a party defendant.

Petitioner (appearing specially) objected (R. 9-12) to the jurisdiction of the District Court on the ground that since he was a resident of Texas, and since the relief sought by Respondents' Complaint could affect only the rights of Petitioner (but could not affect the rights of the other named defendants, who had nothing to win or lose), Petitioner could not be forced to defend his rights in the District of Columbia, more than fifteen hundred miles from home.

**Prior to the amendment of August 5, 1939 (53 Stat. 1212), this section (applicable here) provided that the issue of a patent to the successful applicant "shall be withheld pending the final determination of said proceeding under said section 4915."

DECISIONS OF THE COURTS BELOW.

The District Court (Justice Jennings Bailey) sustained (R. 15-16) Petitioner's objection to jurisdiction and dismissed Respondents' Complaint (R. 18).

The Court of Appeals for the District of Columbia reversed (R. 20-22) and ruled, in effect, that in a suit under R. S. 4915 to set aside an award of priority made by the Patent Office in an interference which had involved three or more parties, the District of Columbia Courts have exclusive jurisdiction, save in a case where all the parties but the plaintiff reside in the same State.

QUESTION PRESENTED.

The jurisdiction of the District of Columbia Courts is the sole issue presented,† but the specific question presented is:

Whether an individual inventor (who retains the entire legal title to his invention) can be compelled to defend his award of priority in a suit under R. S. 4915 in a district other than that of his residence, by plaintiff's artifice of posing a third party, who has no interest at stake, as a co-defendant in the suit. This question involves a construction of the Act of March 3, 1927 (Title 35, U. S. Code, Sec. 72a) to ascertain the intended meaning of the expression "adverse parties" as used therein.

REASONS RELIED UPON FOR THE ALLOWANCE OF THE WRIT.

It is believed that the writ should be granted in this case for the following reasons:

I. Unless this Court intercedes in this case the decision of the United States Court of Appeals for the District of

†Formerly the case could have been brought here by direct appeal under Section 250 of the Judicial Cole (Baldwin v. Robertson, 265 U. S. 168).

Columbia becomes nationwide in effect, controlling the rights of citizens residing in every judicial circuit and every state in the United States, for no one will hereafter be so reckless as to file such a suit except in the District of Columbia. Hence, there is no practical possibility that any other Circuit Court of Appeals will have an opportunity to decide the question presented by this petition, so as to create a conflict of decision. It is inherent in the ruling of the Court of Appeals for the District of Columbia that no other Court can have jurisdiction in a situation such as that existing here. Although there presently exists no direct conflict of decision upon the point involved, there has been discord among the lower Federal Courts on the point, and there are other cases involving slightly different factual situations in which the reasoning of the Courts is wholly inconsistent with and contrary to the reasoning and conclusion of the Court of Appeals in this case. Manifestly the Court below "decided a question of general importance" [Rule 38, -5(c)].

II. The Court of Appeals has decided a question of substance relating to the construction of a Statute of the United States which has never been, but should be, settled by this Court. The decision of the Court below works a serious hardship upon individual inventors in requiring that they travel from their places of residence to the District of Columbia to defend rights awarded them by the Patent Office, and as such is inconsistent with the basic concept of Federal jurisprudence that civil suits may be brought only in the district whereof the defendant is an inhabitant. The decision of the Court below is clearly contrary to the purpose and intent of the Congress in enacting the Act of March 3, 1927, which laid venue in the District of Columbia in a very special and limited class of cases where the interference had been won by a plurality of persons (residing in different states but owning sepa-

rable interests in the one winning invention) such as co-owners, co-inventors, or an inventor and a part-assignee. The Congressional Proceedings in connection with the Act of March 3, 1927, show that it was never intended to be used as a device to force a single prevailing applicant to come to the District of Columbia to defend his award of priority.

PUBLIC IMPORTANCE.

This case is extremely important to the public and particularly to inventors. Inventors are of a class of persons favored by the law, because by their inventions or discoveries they serve to "promote the progress of science and the useful arts" (Const., Art. I, sec. 8); and it is to be noted that the law contemplates rewarding "inventors" for their contributions to the arts, although such has not been the attitude of those whose purpose it has been to deprive an inventor of his reward by contesting his priority of his invention (Barbed Wire Patent Case, 143 U. S. 275, 284). It is notorious that interference proceedings are expensive, in addition to delaying the issue of the patent to the inventor by a series of appeals or proceedings. When the law provides that in an ordinary case a party should be proceeded against at the place of his residence, surely more so should this apply to an inventor who has been adjudicated to be such by the Patent Office tribunals, here by both the Examiner of Interferences and the Board of Appeals. The law does certainly not contemplate that (by the artifice of posing as a defendant a third party, who has nothing to win or lose, and who is in no sense an "adverse party") an individual who has been adjudged to be the prior inventor should be compelled to relitigate his case anywhere than at his residence. To hold otherwise will discourage rather than encourage inventors from making inventions, and will hinder rather than promote the progress of science and the useful arts.

Wherefore your Petitioner respectfully prays that a Writ of Certiorari be issued to the United States Court of Appeals for the District of Columbia to the end that this cause may be reviewed and determined by this Court; that the decree of the United States Court of Appeals for the District of Columbia be reversed, and that the Courts below be directed to dismiss the Complaint.

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BRIEF.

The opinion of the District Court appears at page 15 of the record. It is not reported. The order of the District Court dismissing the Complaint for lack of jurisdiction is found at page 18.

The opinion of the Court of Appeals for the District of Columbia is found at pages 20 to 22 of the record, and is reported at 57 U. S. Patent Quarterly 514.

JURISDICTION AND STATEMENT OF THE CASE.

The foregoing Petition contains a jurisdictional statement and a summary of the material facts necessary to understanding of the reasons relied upon for the allowance of the writ, as well as the questions involved in the case.

SPECIFICATION OF ERRORS.

1. That the United States Court of Appeals for the District of Columbia erred in ruling that the naming as defendant of a third party having no genuine adversary interest, invests the District of Columbia Courts with jurisdiction where jurisdiction would not exist in the absence of such third party.

2. That the Court of Appeals erred in failing to rule that Standard Oil Development Company (and its assignor, Cannon) has not the slightest interest adverse to Respondent, and hence is not an "adverse party."

3. That the Court of Appeals erred in ruling that one who is the present owner of the title to one of the unsuccessful applications which had been involved in an interference proceeding in the Patent Office is an "adverse

party'' within the meaning of the Act of March 3, 1927, when joined as a defendant under a Section 4915 proceeding to challenge the decision of the Patent Office.

4. That the Court of Appeals erred in failing to affirm the District Court in its holding that the case should be dismissed, because the Complaint did not show that there were parties having an adverse interest residing in different districts.

5. That the Court of Appeals erred in reversing and in not affirming the decree of the District Court.

ARGUMENT.

I.

The Court of Appeals Predicated Its Jurisdiction Upon the Naming as Defendant of a Party Against Whom the Complaint Asserts No Justiciable Controversy.

As this Court ruled in Muskrat v. United States, 219 U. S. 346, 31 Sup. Ct. 255, the judicial power of the Federal Courts is limited to "the right to determine actual controversies arising between adverse litigants, duly instituted in courts of proper jurisdiction." That principle was reaffirmed in Aetna Life Insurance Company v. Hayworth,* 300 U. S. 227, 57 Sup. Ct. 461.

In the Muskrat case this Court also ruled that making a defendant of one who has no interest adverse to the plaintiff does not create a justiciable controversy.** (See, also, Minnesota v. Hitchcock, 185 U. S. 373.)

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*"A 'controversy' in this sense must be one that is appropriate for judicial determination. Osborn v. Bank of United States, 9 Wheat. 738, 819, 6 L. Ed. 204. A justiciable controversy is thus distinguished from a difference or dispute of a hypothetical or abstract character; from one that is academic or moot. United States v. Alaska S. S. Co., 253 U. S. 113, 116, 40 S. Ct. 448, 449, 64 L. Ed. 808. The controversy must be definite and concrete, touching the legal relations of parties having adverse legal interests. South Spring Gold Co. v. Amador Gold Co., 145 U. S. 300, 301, 12 S. Ct. 921, 36 L. Ed. 712; Fairchild v. Hughes, 258 U. S. 126, 129, 42 S. Ct. 274, 275, 66 L. Ed. 499; Massachusetts v. Mellon, 262 U. S. 447, 487, 488, 43 S. Ct. 597, 601, 67 L. Ed. 1078. It must be a real and substantial controversy admitting of specific relief through a decree of a conclusive character, as distinguished from an opinion advising what the law would be upon a hypothetical state of facts. See Muskrat v. United States, supra; Texas v. Interstate Commerce Commission, 258 U. S. 158, 162, 42 S. Ct. 261, 262, 66 L. Ed. 531; New Jersey v. Sargent, 269 U. S. 328, 340, 46 S. Ct. 122, 125, 70 L. Ed. 289; Liberty Warehouse Co. v. Grannis, 273 U. S. 70, 47 S. Ct. 282, 71 L. Ed. 541; New York v. Illinois, 274 U. S. 488, 490, 47 S. Ct. 661, 71 L. Ed. 1164; Willing v. Chicago Auditorium Association, 277 U. S. 274, 289, 290, 48 S. Ct. 507, 509, 72 L. Ed. 880; Arizona v. California, 283 U. S. 423, 463, 464, 51 S. Ct. 522, 529, 75 L. Ed. 1154; Alabama v. Arizona, 291 U. S. 286, 291, 54 S. Ct. 399, 401, 78 L. Ed. 798; United States v. West Virginia, 295 U. S. 463, 474, 475, 55 S. Ct. 789, 793, 79 L. Ed. 1546; Ashwander v. Tennessee Valley Authority, 297 U. S. 288, 324, 56 S. Ct. 466, 472, 80 L. Ed. 688" (l. c. 464).

**"It is true the United States is made a defendant to this action, but it has no interest adverse to the claimants" (page 255 of 31 Sup. Ct.).

As recently as May 24, 1942, this Court has again reaffirmed the principle that a "genuine adversary issue" must exist and that there must be an "honest and actual antagonistic assertion of rights to be adjudicated" (United States and Roach v. Johnson, No. 840, 1942 Term, ... U. S. ..., 87 L. Ed. 1027).

Since Lord v. Veazie (8 Howard 251), the Federal Courts have consistently refused to consider purported cases wherein there was "no real and substantial controversy between those who appear as adverse parties to the suit."

Assuming the Complaint here sets forth a justiciable controversy between the Respondents and Wayne, it clearly states none between the Respondents and Standard. Standard is not alleged to be in possession of any right which the plaintiff seeks to have adjudicated. True enough, Petitioner, Respondents, Standard and Ayers, had run a race in the Patent Office. Petitioner won. Standard was just an also-ran. Only Respondent challenges the judges' decision. Respondent seeks nothing from Standard. Standard has nothing to win or lose, cogent evidence of which is its failure to appear in the Courts below.

Standard is in exactly the same position as was the Commissioner of Patents† in Coe v. Hobart Mfg. Co., 102 Fed. (2d) 270, where, in an effort to invest the District of Columbia Courts with jurisdiction in a case of this kind, the plaintiff had named the Commissioner of Patents as a defendant along with the party who won the interference. But in refusing jurisdiction the Court of Appeals for the District of Columbia said:

> ". . . even if he (the Commissioner) were a proper party to a suit to review his award of priority, we think he would not be 'adverse' within the meaning of the statute. The Commissioner has not the slightest interest adverse to plaintiff; whether plaintiff or defendant gets a patent, the Commissioner neither gains nor loses."

†R. S. 4915 (35 U. S. C. 63), even mentioning the "Commissioner."

Likewise the relief sought by Respondents here will not in anywise affect any proprietary or inchoate right, interest or immunity of Standard. Here Standard "has not the slightest interest adverse to plaintiff."

The mere naming of a distinterested party, such as Standard, as a defendant can no more create jurisdiction in a case of this kind, than the naming of the United States as a defendant in the Muskrat case could create a justiciable controversy, nor the naming of a disinterested party as a defendant in a diversity case could oust the jurisdiction of a Federal Court (Wormley v. Wormley, 8 Wheaton 419, 451; Wood v. Davis, 18 Howard 467, 469).

It has ever been held that the jurisdiction of the Federal Courts is determined by the real (i. e., the genuinely adverse) parties and not mere nominal, formal, improper or sham parties. The Texas Company and Wayne are the only parties which the Complaint shows to have any genuine adverse interest. They are the only indispensable parties.

> "It can never be indispensable to make defendants of those against whom nothing is alleged and from whom no relief is asked" (Payne v. Hook, 74 U. S. 425).

Clearly, this suit should have been brought in Texas, where Wayne resides.

II.

There Is Nothing Strange or Recondite About the Words "Adverse Parties" in the Act of March 3, 1927.

The significance of "adverse parties" is apparent from the expression itself. Manifestly no one can be an adverse party unless he has some interest which would be injuriously affected by the judgment prayed for.‡

‡In **Words and Phrases**, 1940 edition, Vol. II, pages 550 to 574 are devoted to quotations from many cases in many jurisdictions defining "adverse parties." In **Corpus Juris Secundum**, Vol. II, pages 504-505, one hundred fourteen cases are cited for interpretation of the expression. Our statement above is consistent with all of these quotations and interpretations.

The Congressional Proceedings leading to the enactment of the Act of March 3, 1927, reveal no purpose or intention at variance with the ordinary meaning of "adverse parties" and fail to suggest any thought of giving to the District of Columbia Courts exclusive jurisdiction of R. S. 4915 cases simply because the Patent Office Interference had involved three or more parties.

The Congressional intention is clear from the Report of the Committee on Patents, Sixty-ninth Congress, Report No. 713 (H. R. 6252), March 30, 1926, and the testimony before that Committee (pages 19, 20). Its purpose was to permit the bringing of suits under R. S. 4915 in the District of Columbia "where a **part** interest in a patent is assigned so that a **part** owner might live in New York and a **part** owner in the far west" (Report No. 713, supra). That situation and that alone was intended to be governed by the Act. No purpose to invest the District of Columbia Courts with jurisdiction in any other type of case appears. In this case Petitioner is a sole inventor who has assigned no interest and hence is the sole owner of his patent (to be).

There is nothing to suggest a Congressional intention to give the District of Columbia Courts exclusive jurisdiction simply because the interference had involved more than two applications. In such cases, any losing party may proceed against the winning party to reverse the award of priority to the latter in favor of the former. Congress obviously intended that such a controversy, between only two parties, should be litigated in the district where the winning party resides.

As we have seen hereinbefore, the United States Court of Appeals for the District of Columbia has held that it cannot take jurisdiction of such a case where the Commissioner of Patents is named as a defendant (along with the winning contestant in the Patent Office) and asserted to be an "adverse party" because the Commissioner has nothing

to win or lose (Coe v. Hobart Mfg. Co., 102 Fed. [2d] 270, reaffirmed in Tomlinson of High Point v. Coe, 123 Fed. [2d] 65).

In the Hobart case the Court of Appeals for the District of Columbia went on to quote with approval from Justice Jennings Bailey's decision in Standard Oil Co. v. Pure Oil Co., 19 Fed. Supp., p. 835:

> "To hold that the plaintiff by making a mere formal party a codefendant can compel the real defendant, the real party in interest, to come from any part of the United States and defend his rights in the District of Columbia would conflict with the general purpose of Congress as appears from the fact that ordinarily suits in the federal courts must be brought in the district in which the defendant resides. Jud. Code, § 51, as amended, 28 U. S. C. A., § 112."

In that case Justice Bailey had held that the District of Columbia Courts could not be invested with jurisdiction by naming, as a party defendant, a person who would "in no way be affected by the result of this suit."

The ruling of the Court below in this case is manifestly inconsistent with its reasoning in the cases just cited; for here it has held that Standard, which has nothing to win or lose and which will in no way be affected by the result of this suit, is a party of such character as to determine jurisdiction.

In Justice Bailey's decision dismissing the Complaint in the present case he referred approvingly to the dissenting opinion of Judge Patterson in Nachod and U. S. Signal Co. v. Automatic Signal Corp., 105 Fed. (2d) 981 (C. C. A. 2), while the Court of Appeals rested its decision "in part" upon the reasoning of the majority opinion in that case. In the Nachod case the Second Circuit Court of Appeals had held that a suit under R. S. 4915 must be dismissed because the exclusive licensee of the winner in the Patent

Office was not an inhabitant of the district in which the suit was brought (although it was doing business there). Since the decision of this Court in Nierbo v. Bethlehem Shipbuilding Corp., 308 U. S. 165, the result of the Nachod case has been recognized as wrong (Nachod et al. v. Automatic Sig. Co., 32 Fed. Supp. 588, l. c. 590, D. C. Conn.).

In his dissenting opinion in the Nachod case, Judge Patterson pointed out that a licensee could not be an adverse party because he had no title of any sort in the patent but merely an immunity from suit. While the Court below seems to think that the situation of Standard here is more clearly "adverse" than was the situation of the licensee in the Nachod case, it overlooks the fact that the licensee, in the Nachod case, had an immunity from the Patent Office winner, while, in this case, Standard has no such immunity, because its applicant Cannon won nothing, and it (Standard) has accepted the Patent Office award as final.

This Court has never construed the Act of March 3, 1927. The lack of harmony among the decisions of the lower Courts suggests the urgency of a construction by this Court.

III.

That Petitioner Has Granted a License Does Not Affect the Jurisdictional Situation.

In his petition for leave to appear specially (R. 9), Wayne gave notice that Visco Products Company, a Delaware Corporation, was the exclusive licensee under his application which had been involved in the Patent Office interference proceeding; and that Visco was licensed to do business in the State of Texas, where it maintains regular and established places of business at Houston and Sugarland. This notice was given by Wayne voluntarily on December 6, 1941, so that Respondents still had nearly

two months within which they might institute suit in the Southern District of Texas if they were so advised. No such suit was instituted, but instead Respondents moved to amend the complaint to include Visco.

Whether or not Visco Products Company, as Petitioner's exclusive licensee, is an indispensable party to a case of this sort was not determined by the Court of Appeals. The Second Circuit (Judge Patterson dissenting) so held in the Nachod case, 105 Fed. 981. But Respondents admitted in their brief filed in the Court of Appeals that:

> "The diversity of residence requisite for jurisdiction under the Act of March 3, 1927 in no wise depends upon the presence of the licensee, but depends on the diversity of residence of Wayne and Development Company."

Even if the licensee is assumed to be an indispensable party, this suit could and should have been brought in the Southern District of Texas (Nierbo Co. v. Bethlehem Shipbuilding Corp., 308 U. S. 165; Vogel v. Crown Cork & Seal Co., 36 F. Supp. 74).

CONCLUSION.

For the reasons pointed out in the foregoing Petition and Brief, it is respectfully submitted that the question presented is deserving of consideration and decision by this Court, and that the writ should be granted as prayed for.

Respectfully submitted,

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